

Approved: Amgriswoed
ANDREA M. GRISWOLD
Assistant United States Attorney

Before: THE HONORABLE MICHAEL H. DOLINGER
United States Magistrate Judge
Southern District of New York

14 MAG 937

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: UNITED STATES OF AMERICA : SEALED
: : COMPLAINT
: :
-v- : Violation of 18 U.S.C. §§
: 1920, 641
JEANNIE WIGFALL, :
a/k/a "Jeannie Wigfall-Watson" : COUNTY OF OFFENSE:
a/k/a "Jeannie J. Watson," : NEW YORK
: Defendant. :
: :
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SOUTHERN DISTRICT OF NEW YORK, ss.:

KYLE KNIESTE, being duly sworn, deposes and says that he is a Special Agent with the United States Postal Service, Officer of Inspector General ("USPS-OIG"), and charges as follows:

COUNT ONE

1. From at least in or about December 2008, up to and including the present, in the Southern District of New York and elsewhere, JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant, willfully and knowingly did falsify, conceal, and cover up material facts, and did make false, fictitious, and fraudulent statements and representations, and did make and use false statements and reports knowing the same to contain false, fictitious, and fraudulent statements and entries in connection with an application for and receipt of compensation and other benefits and payment under Title 5, United States Code, Sections 8102 et seq., which benefits exceeded \$1000, to wit, WIGFALL submitted applications for federal worker's compensation benefits in which she stated falsely that she did not have employment outside of her federal job during the time she claimed such benefits, when in fact she did.

(Title 18, United States Code, Section 1920.)

COUNT TWO

2. From at least in or about December 2008, up to and including the present, in the Southern District of New York and elsewhere, JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant, willfully and knowingly did embezzle, steal, purloin, and convert to her own use and the use of another, money and things of value of the United States and of a department and agency thereof, and did receive, conceal, and retain the same with intent to convert it to her own use and gain, knowing it to have been embezzled, stolen, purloined, and converted, to wit, WIGFALL fraudulently obtained federal worker's compensation benefits to which she was not entitled.

(Title 18, United States Code, Section 641.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

3. I am a Special Agent with the USPS-OIG. I have been personally involved in the investigation of this matter, and I base this affidavit on that personal experience, as well as on my conversations with other law enforcement agents and my examination of various reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause for the offenses cited above, it does not include all the facts that I have learned during the course of the investigation. Where the contents of conversations of others are reported herein, they are reported in substance and in part.

The Regulatory Scheme

4. Based on my knowledge and experience derived from this investigation and from my participation in prior investigations into federal worker's compensation fraud, I know the following:

a. The Federal Employees' Compensation Act ("FECA"), 5 U.S.C. § 8102 et seq., provides compensation to federal employees for injuries sustained during the performance of their workplace duties. An employee may be disabled, and therefore eligible to collect FECA benefits, either due to a sudden, "traumatic injury" or due to a physical or mental condition that develops over time (an "occupational disease").

b. Under the statute, an employee who is totally disabled due to a workplace injury and has no dependents is entitled to benefits equivalent to 66.66 percent of her federal salary during the period of her disability. An employee is totally disabled if, following her injury, she has no capacity to earn wages or work in any position. If an employee without dependents is only partially disabled, her FECA benefits are limited to 66.66 percent of the difference between her federal salary and her residual wage-earning capacity. FECA benefits are untaxed.

c. FECA benefits are administered by the Office of Workers' Compensation Programs ("OWCP"), a division of the Department of Labor ("DOL"). The OWCP District Office that processes FECA claims for residents of New Jersey, New York, Puerto Rico, and the Virgin Islands is located in Manhattan, New York.

d. In order to receive FECA benefits, a federal employee who suffers a work-related traumatic injury must first complete, sign, and submit to the OWCP a form entitled "Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation" (a "Form CA-1"). The Form CA-1 requires the employee to describe the nature of the injury for which she is seeking benefits and the circumstances under which she sustained it. By signing the Form CA-1, the claimant certifies, "under penalty of law," inter alia, that the injury upon which the claim is based "was sustained in the performance of duty as an employee of the United States Government." Form CA-1 advises the employee who submits it that:

Any person who knowingly makes any false statement, misrepresentation, concealment of fact or any other act of fraud to obtain compensation as provided by the FECA or who knowingly accepts compensation to which that person is not entitled is subject to civil or administrative remedies as well as felony criminal prosecution and may, under appropriate criminal provisions, be punished by a fine or imprisonment or both.

e. Under DOL regulations, a federal employee who sustains a work-related injury that is successfully treated, but later experiences a spontaneous return of debilitating symptoms, is entitled again to obtain FECA benefits. In such circumstances, the employee must file a "Notice of Recurrence" (a "Form CA-2a").

f. Upon the filing of a Form CA-1 or a Form CA-2a, the federal employer must continue the disabled employee's regular pay during any periods of disability, up to a combined maximum of 45 calendar days for any single injury. In order to obtain compensation beyond this 45 day period, the employee must file a "Claim for Compensation Due to Traumatic Injury or Occupational Disease" (a "Form CA-7"). The Form CA-7 does not permit the claimant to request benefits for prospective periods of disability. Thus, in order to receive benefits on a schedule that replicates her normal pay cycle, the claimant must generally file a new Form CA-7 every two weeks. An employee receiving benefits in this manner is said to be on the "daily roll."

g. A claimant who has been receiving FECA benefits as part of the daily roll for a sustained period of time and is unlikely to return to work in the near future is placed on the "periodic roll." A claimant included on the periodic roll receives disability compensation automatically every 30 days and is not required to file a Form CA-7 on a bi-monthly basis. Instead, each year, the claimant must complete, sign and file a questionnaire known as Form CA-1032.

h. Part A of Form CA-1032, labeled "Employment," directs the claimant to "[r]eport ALL employment for which you received a salary, wages, income, sales commissions, piecework, or payment of any kind" during the fifteen months prior to completing the form. Claimants are directed to "[r]eport ALL self-employment or involvement in business enterprises," including "part-time or intermittent" activities. The form requires the claimant to disclose her rate of pay for any such employment activities, including "the value of such things as housing, meals, clothing, and reimbursed expenses." In this regard, the claimant is specifically informed, "[i]f you performed any duties in any business enterprise for which you were not paid, you must show as rate of pay what it would have cost the employer or organization to hire someone to perform the work or duties you did, even if your work was for yourself or a family member or relative."

i. Immediately following the instructions on reporting employment, Form CA-1032 contains the following warning, printed in all capital letters and in bold font: "SEVERE PENALTIES MAY BE APPLIED FOR FAILUE TO REPORT ALL WORK ACTIVITIES THOROUGHLY AND COMPLETELY."

j. Part B of Form CA-1032 requires the claimant to state whether, during the prior fifteen months, she has

"perform[ed] any volunteer work including volunteer work for which ANY FORM of monetary or in-kind compensation was received."

k. The final portion of the Form CA-1032 requires the claimant to sign and certify the following:

I know that anyone who fraudulently conceals or fails to report income or other information which would have an effect on benefits, or makes a false statement or misrepresentation of a material fact in claiming a payment or benefit under the Federal Employees' Compensation Act may be subject to criminal prosecution, from which a fine or imprisonment, or both, may result.

[. . .]

I certify that all statements made in response to questions on this form are true, complete, and correct to the best of my knowledge and belief. I have placed "Not Applicable" (N/A) or "None" next to those questions that do not apply to me or my claim.

THE PRESENT INVESTIGATION

WIGFALL Files for and Draws FECA Benefits

5. I have reviewed documents maintained by the United States Postal Service ("USPS") and OWCP regarding JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant. From these documents I know that:

a. Between May 1994 and July 2008, WIGFALL was employed by the USPS as a letter carrier at Lenox Hill Station in New York, NY.

b. On or about August 24, 2007, WIGFALL completed, signed, and filed with OWCP a Form CA-1. On that document, WIGFALL stated that on August 23, 2007, she sustained a work-related injury when, while "pushing cart crossing street lifting cart onto sidewalk, [WIGFALL] strain[ed] my back, lower back [and] middle back." WIGFALL listed a certain address as her address (the "Home Address").

c. After filing her Form CA-1, WIGFALL was notified in approximately December 2007 that her claim had been accepted for "Sprain of Back, Lumbar Region; Sprain of Back, Thoracic Region."

d. On January 17, 2008; February 21, 2008; and March 27, 2008, WIGFALL completed, signed and filed with OWCP a Form CA-7, pursuant to which she received regular pay for the period of disability covered by each CA-7. On each CA-7, WIGFALL certified that she had not worked outside of her federal job.

e. In or about April 2008, WIGFALL was placed on the periodic roll, pursuant to which she began to receive FECA benefits every 28 days, ranging from \$1150 to \$2400 per 28-day period. As of April 2014, WIGFALL had received FECA compensation exceeding \$159,000 since filing her form CA-1 in August 2007.

f. Since being placed on the periodic roll in or about December 2008, WIGFALL has completed, signed and filed with the OWCP in Manhattan five Form CA-1032s covering the period February 2010 through December 2013. Except as noted in note 1, below,¹ WIGFALL indicated that she had not worked for any employer during the prior 15 months, had not been self-employed or involved in any business enterprise during that time period, and had not performed any volunteer work while receiving FECA benefits.

WIGFALL Opens a Daycare Center

6. In or about November 2012, as part of a routine review of files relating to certain individuals receiving FECA benefits, I conducted internet research to investigate whether JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant, maintained unreported employment. From conducting this research, I discovered that WIGFALL had been certified as a daycare provider.

¹ On or about February 2010, WIGFALL filed a FORM CA-1032 in which she stated that she "did some babysitting and tr[ie]d to further [it] into a business but I had not clients except one." WIGFALL did not reference "babysitting" or any other childcare employment in the subsequently filed CA-1032 forms she submitted in 2011, 2012 and 2013. On or about February 14, 2013, WIGFALL filed a FORM CA-1032 in which she acknowledged working as a residential counselor for "St. Dominic's Home" since April 2012. However, Wigfall stated that she was not "self-employed or involved in any business enterprise in the last 15 months."

7. I have reviewed documents from the New York State Office of Children and Family Services relating to JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant. Based on this review, I have learned, among other things, the following:

a. On or about June 2, 2008, WIGFALL was first certified as a registered Family Day Care.

b. The Office of the Children and Family Services conducted onsite visits of the Home Address on or about March 14, 2009; March 28, 2010, August 26, 2010; October 28, 2011; June 5, 2012; and August 12, 2013. On each occasion, the registrar found one or more children in WIGFALL's care.

c. On various dates between 2008 and 2012, WIGFALL obtained additional certifications in childcare-related specialties.

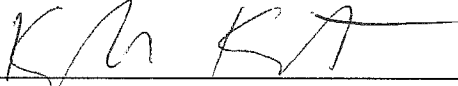
8. I have reviewed documents received from Citizens Bank and Bank of America relating to JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant. Based on this review, I have learned, among other things, the following:

a. On or about September 2008, WIGFALL opened a business checking account with Citizens Bank using the Home Address. Between 2008 and 2009, WIGFALL deposited multiple checks from the Child Care Council of Orange County into the Citizens Bank account.

b. WIGFALL also has several bank accounts with Bank of America. Between 2010 and 2014, WIGFALL deposited multiple checks from the Child Care Council of Orange County into her Bank of America accounts.


9. On several dates between 2012 and the present, I and other federal agents have conducted surveillance of JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant, at the Home Address. Agents have observed children being dropped off, and later, picked up from WIGFALL at the Home Address.

WHEREFORE, the deponent respectfully requests that a warrant issue for the arrest of JEANNIE WIGFALL, a/k/a "Jeannie Wigfall-Watson," a/k/a "Jeannie J. Watson," the defendant, and that she be arrested and imprisoned, or bailed, as the case may be.



KYLE KNIESTE
Special Agent
USPS-OIG

Sworn to before me this
2nd of MAY 2014



THE HONORABLE MICHAEL H. DOLINGER
United States Magistrate Judge
Southern District of New York